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STATE FARM GENERAL INSURANCE COMPANY

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

MARC WELCH and LISA
WELCH,

Plaintiffs,

vs.

STATE FARM GENERAL
INSURANCE COMPANY and DOES
1-20, Inclusive,

Defendants.

Case No. 2:22-cv-06974-FMO-JPR

**STIPULATED PROTECTIVE
ORDER**

1. INTRODUCTION

1.1 Purposes and Limitations

Discovery in this action may involve production of confidential, proprietary, or private information for which special protection from public disclosure and from use for any purpose other than prosecuting this litigation may be warranted.

Accordingly, the Parties hereby stipulate to and petition the Court to enter the following Stipulated Protective Order. The Parties acknowledge that this Order

1 does not confer blanket protections on all disclosures or responses to discovery and
2 that the protection it affords from public disclosure and use extends only to the
3 limited information or items that are entitled to confidential treatment under the
4 applicable legal principles. The Parties further acknowledge, as set forth in Section
5 12.3 below, that this Order does not entitle them to file Confidential Information
6 under seal; Civil Local Rule 79-5 sets forth the procedures that must be followed
7 and the standards that will be applied when a Party seeks permission from the Court
8 to file material under seal.

9 1.2 Good Cause Statement

10 Disclosure and discovery activity in this insurance and bad faith action are
11 likely to involve production of confidential, proprietary, or private information for
12 which special protection from public disclosure and from use for any purpose other
13 than prosecuting this litigation may be warranted. For example, Plaintiff's discovery
14 here seeks, among other things, information regarding State Farm's internal
15 guidelines and procedures, materials which contain proprietary intellectual property
16 that was developed by State Farm for exclusive use by State Farm's claims personnel.
17 These materials are unique to State Farm, and are the product of internal analyses,
18 and may contain commercial information developed by State Farm and belonging to
19 State Farm. State Farm maintains responsive documents in confidence; they are not
20 distributed outside of State Farm and are considered by State Farm to be confidential,
21 trade secret protected and proprietary, and the dissemination of these materials could
22 cause competitive harm. Other categories of confidential documents may be sought
23 in this litigation. Accordingly, the parties hereby stipulate to and petition the court
24 to enter the following Stipulated Protective Order.

25 **2. DEFINITIONS**

26 2.1 Action: This pending federal lawsuit—Mark Welch and Lisa Welch v.
27 State Farm General Insurance Company Case No. 2:22-cv-06974-FMO-JPR.

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1 2.2 Challenging Party: A Party or Nonparty that challenges the designation
2 of information or items under this Order.

3 2.3 “CONFIDENTIAL” Information or Items: information (regardless of
4 how it is generated, stored, or maintained) or tangible things that qualify for
5 protection under Federal Rule of Civil Procedure 26(c) and as specified above in the
6 Good Cause Statement.

7 2.4 Counsel: Outside Counsel of Record and House Counsel (as well as
8 their support staff).

9 2.5 Designating Party: a Party or Nonparty that designates information or
10 items that it produces in disclosures or in responses to discovery as
11 “CONFIDENTIAL.”

12 2.6 Disclosure or Discovery Material: all items or information, regardless
13 of the medium or manner in which it is generated, stored, or maintained (including,
14 among other things, testimony, transcripts, and tangible things), that are produced or
15 generated in disclosures or responses to discovery in this matter.

16 2.7 Expert: a person with specialized knowledge or experience in a matter
17 pertinent to the litigation who has been retained by a Party or its counsel to serve as
18 an expert witness or as a consultant in this action.

19 2.8 House Counsel: attorneys who are employees of a Party to this Action.
20 House Counsel does not include Outside Counsel of Record or any other outside
21 counsel.

22 2.9 Nonparty: any natural person, partnership, corporation, association, or
23 other legal entity not named as a Party to this action.

24 2.10 Outside Counsel of Record: attorneys who are not employees of a
25 Party to this Action but are retained to represent or advise a Party and have appeared
26 in this Action on behalf of that Party or are affiliated with a law firm that has
27 appeared on behalf of that Party, including support staff.

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1 2.11 Party: any Party to this Action, including all of its officers, directors,
2 employees, consultants, retained experts, and Outside Counsel of Record (and their
3 support staffs).

4 2.12 Producing Party: a Party or Nonparty that produces Disclosure or
5 Discovery Material in this Action.

6 2.13 Professional Vendors: persons or entities that provide litigation
7 support services (for example, photocopying, videotaping, translating, preparing
8 exhibits or demonstrations, and organizing, storing, or retrieving data in any form or
9 medium) and their employees and subcontractors.

10 2.14 Protected Material: any Disclosure or Discovery Material that is
11 designated as “CONFIDENTIAL.”

12 2.15 Receiving Party: a Party that receives Disclosure or Discovery
13 Material from a Producing Party.

14 **3. SCOPE**

15 The protections conferred by this Stipulation and Order cover not only
16 Protected Material (as defined above) but also any information copied or extracted
17 from Protected Material; all copies, excerpts, summaries, or compilations of
18 Protected Material; and any testimony, conversations, or presentations by Parties or
19 their Counsel that might reveal Protected Material.

20 Any use of Protected Material at trial will be governed by the orders of the
21 trial judge. This Order does not govern the use of Protected Material at trial.

22 **4. DURATION**

23 Even after final disposition of this litigation, the confidentiality obligations
24 imposed by this Order will remain in effect until a Designating Party agrees
25 otherwise in writing or a court order otherwise directs. Final disposition is the later
26 of (1) dismissal of all claims and defenses in this Action, with or without prejudice,
27 or (2) final judgment after the completion and exhaustion of all appeals, rehearings,
28 remands, trials, or reviews of this Action, including the time limits for filing any

1 motions or applications for extension of time under applicable law.

2 **5. DESIGNATING PROTECTED MATERIAL**

3 5.1 Each Party or Nonparty that designates information or items for
4 protection under this Order must take care to limit any such designation to specific
5 material that qualifies under the appropriate standards. The Designating Party must
6 designate for protection only those parts of material, documents, items, or oral or
7 written communications that qualify so that other portions of the material,
8 documents, items, or communications for which protection is not warranted are not
9 swept unjustifiably within the ambit of this Order.

10 Mass, indiscriminate, or routinized designations are prohibited. Designations
11 that are shown to be clearly unjustified or that have been made for an improper
12 purpose (for example, to unnecessarily encumber the case-development process or
13 to impose unnecessary expenses and burdens on other parties) may expose the
14 Designating Party to sanctions.

15 If it comes to a Designating Party's attention that information or items it
16 designated for protection do not qualify for that level of protection, that Designating
17 Party must promptly notify all other Parties that it is withdrawing the inapplicable
18 designation.

19 5.2 Except as otherwise provided in this Order, Disclosure or Discovery
20 Material that qualifies for protection under this Order must be clearly so designated
21 before the material is disclosed or produced.

22 Designation in conformity with this Order requires the following:

23 (a) for information in documentary form (for example, paper or electronic
24 documents but excluding transcripts of depositions or other pretrial or trial
25 proceedings), the Producing Party must affix at a minimum the legend
26 "CONFIDENTIAL" to each page that contains Protected Material. If only a portion
27 or portions of the material on a page qualify for protection, the Producing Party
28 must clearly identify the protected portion(s) (for example, by making appropriate

1 markings in the margins).

2 A Party or Nonparty that makes original documents available for inspection
3 need not designate them for protection until after the inspecting Party has indicated
4 which documents it would like copied and produced. During the inspection and
5 before the designation, all material made available for inspection must be treated as
6 “CONFIDENTIAL.” After the inspecting Party has identified the documents it
7 wants copied and produced, the Producing Party must determine which documents,
8 or portions thereof, qualify for protection under this Order. Then, before producing
9 the specified documents, the Producing Party must affix the “CONFIDENTIAL”
10 legend to each page that contains Protected Material. If only a portion or portions of
11 the material on a page qualify for protection, the Producing Party also must clearly
12 identify the protected portion(s) (for example, by making appropriate markings in
13 the margins).

14 (b) for testimony given in depositions, the Designating Party must identify
15 the Disclosure or Discovery Material that is protected on the record, before the close
16 of the deposition.

17 (c) for information produced in some form other than documentary and for
18 any other tangible items, the Producing Party must affix in a prominent place on the
19 exterior of the container or containers in which the information is stored the legend
20 “CONFIDENTIAL.” If only a portion or portions of the information warrant
21 protection, the Producing Party, to the extent practicable, must identify the protected
22 portion(s).

23 5.3 If timely corrected, an inadvertent failure to designate qualified
24 information or items does not, standing alone, waive the Designating Party’s right to
25 secure protection under this Order for that material. On timely correction of a
26 designation, the Receiving Party must make reasonable efforts to assure that the
27 material is treated in accordance with the provisions of this Order.

1 **6. CHALLENGING CONFIDENTIALITY DESIGNATIONS**

2 6.1 Any Party or Nonparty may challenge a designation of confidentiality
3 at any time consistent with the Court's scheduling order.

4 6.2 The Challenging Party must initiate the dispute-resolution process (and,
5 if necessary, file a discovery motion) under Local Rule 37.

6 6.3 The burden of persuasion in any such proceeding is on the Designating
7 Party. Frivolous challenges, and those made for an improper purpose (for example,
8 to harass or impose unnecessary expenses and burdens on other parties), may expose
9 the Challenging Party to sanctions. Unless the Designating Party has waived or
10 withdrawn the confidentiality designation, all parties must continue to afford the
11 material in question the level of protection to which it is entitled under the
12 Producing Party's designation until the Court rules on the challenge.

13 **7. ACCESS TO AND USE OF PROTECTED MATERIAL**

14 7.1 A Receiving Party may use Protected Material that is disclosed or
15 produced by another Party or by a Nonparty in connection with this Action only for
16 prosecuting, defending, or attempting to settle this Action. Such Protected Material
17 may be disclosed only to the categories of people and under the conditions described
18 in this Order. When the Action has been terminated, a Receiving Party must comply
19 with the provisions of Section 13 below (FINAL DISPOSITION).

20 Protected Material must be stored and maintained by a Receiving Party at a
21 location and in a manner sufficiently secure to ensure that access is limited to the
22 people authorized under this Order.

23 7.2 Unless otherwise ordered by the Court or permitted in writing by the
24 Designating Party, a Receiving Party may disclose any information or item
25 designated "CONFIDENTIAL" only to the following people:

26 (a) the Receiving Party's Outside Counsel of Record in this Action, as well
27 as employees of that Outside Counsel of Record to whom it is reasonably necessary
28 to disclose the information for this Action;

(b) the officers, directors, and employees (including House Counsel) of the Receiving Party to whom disclosure is reasonably necessary for this Action;

(c) Experts (as defined in this Order) of the Receiving Party to whom disclosure is reasonably necessary for this Action and who have signed the “Acknowledgment and Agreement to Be Bound” (Exhibit A);

(d) the Court and its personnel;

(e) court reporters and their staff;

(f) professional jury or trial consultants, mock jurors, and Professional Vendors to whom disclosure is reasonably necessary for this Action and who have signed the “Acknowledgment and Agreement to Be Bound” (Exhibit A);

(g) the author or recipient of a document containing the information or a custodian or other person who otherwise possessed or knew the information;

(h) during their depositions, witnesses and attorneys for witnesses to whom disclosure is reasonably necessary, provided that the deposing party requests that the witness sign the form attached as Exhibit A hereto and the witnesses will not be permitted to keep any confidential information unless they sign the form, unless otherwise agreed by the Designating Party or ordered by the Court. Pages of transcribed deposition testimony or exhibits to depositions that reveal Protected Material may be separately bound by the court reporter and may not be disclosed to anyone except as permitted under this Order; and

(i) any mediator or settlement officer, and their supporting personnel, mutually agreed on by any of the Parties engaged in settlement discussions or appointed by the Court.

**8. PROTECTED MATERIAL SUBPOENAED OR ORDERED
PRODUCED IN OTHER LITIGATION**

If a Party is served with a subpoena or a court order issued in other litigation that compels disclosure of any information or items designated in this Action as “CONFIDENTIAL,” that Party must

(a) promptly notify in writing the Designating Party. Such notification must include a copy of the subpoena or court order unless prohibited by law;

(b) promptly notify in writing the party who caused the subpoena or order to issue in the other litigation that some or all of the material covered by the subpoena or order is subject to this Protective Order. Such notification must include a copy of this Order; and

(c) cooperate with respect to all reasonable procedures sought to be pursued by the Designating Party whose Protected Material may be affected.

If the Designating Party timely seeks a protective order, the Party served with the subpoena or court order should not produce any information designated in this action as “CONFIDENTIAL” before a determination on the protective-order request by the relevant court unless the Party has obtained the Designating Party’s permission. The Designating Party bears the burden and expense of seeking protection of its Confidential Material, and nothing in these provisions should be construed as authorizing or encouraging a Receiving Party in this Action to disobey a lawful directive from another court.

9. A NONPARTY’S PROTECTED MATERIAL SOUGHT TO BE PRODUCED IN THIS LITIGATION

(a) The terms of this Order are applicable to information produced by a Nonparty in this Action and designated as “CONFIDENTIAL.” Such information is protected by the remedies and relief provided by this Order. Nothing in these provisions should be construed as prohibiting a Nonparty from seeking additional protections.

(b) In the event that a Party is required by a valid discovery request to produce a Nonparty’s Confidential Information in its possession and the Party is subject to an agreement with the Nonparty not to produce the Nonparty’s Confidential Information, then the Party must

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(1) promptly notify in writing the Requesting Party and the Nonparty that some or all of the information requested is subject to a confidentiality agreement with a Nonparty;

(2) promptly provide the Nonparty with a copy of this Order, the relevant discovery request(s), and a reasonably specific description of the information requested; and

(3) make the information requested available for inspection by the Nonparty, if requested.

(c) If the Nonparty fails to seek a protective order within 21 days of receiving the notice and accompanying information, the Receiving Party may produce the Nonparty's Confidential Information responsive to the discovery request. If the Nonparty timely seeks a protective order, the Receiving Party must not produce any information in its possession or control that is subject to the confidentiality agreement with the Nonparty before a ruling on the protective-order request. Absent a court order to the contrary, the Nonparty must bear the burden and expense of seeking protection of its Protected Material.

10. UNAUTHORIZED DISCLOSURE OF PROTECTED MATERIAL

If a Receiving Party learns that by inadvertence or otherwise, it has disclosed Protected Material to any person or in any circumstance not authorized under this Order, the Receiving Party must immediately notify the Designating Party in writing of the unauthorized disclosures, use its best efforts to retrieve all unauthorized copies of the Protected Material, inform the person or people to whom unauthorized disclosures were made of the terms of this Order, and ask that person or people to execute the "Acknowledgment and Agreement to Be Bound" that is attached hereto as Exhibit A.

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1 **11. INADVERTENT PRODUCTION OF PRIVILEGED OR OTHERWISE**
 2 **PROTECTED MATERIAL**

3 When a Producing Party gives notice to Receiving Parties that certain
 4 inadvertently produced material is subject to a claim of privilege or other protection,
 5 the obligations of the Receiving Parties are those set forth in Federal Rule of Civil
 6 Procedure 26(b)(5)(B).

7 **12. MISCELLANEOUS**

8 12.1 Nothing in this Order abridges the right of any person to seek its
 9 modification by the Court.

10 12.2 By stipulating to the entry of this Order, no Party waives any right it
 11 otherwise would have to object to disclosing or producing any information or item
 12 on any ground not addressed in this Order. Similarly, no Party waives any right to
 13 object on any ground to use in evidence of any of the material covered by this
 14 Order.

15 12.3 A Party that seeks to file under seal any Protected Material must
 16 comply with Civil Local Rule 79-5. Protected Material may be filed under seal only
 17 pursuant to a court order authorizing the sealing of the specific Protected Material at
 18 issue. If a Party's request to file Protected Material under seal is denied, then the
 19 Receiving Party may file the information in the public record unless otherwise
 20 instructed by the Court.

21 **13. FINAL DISPOSITION**

22 A. After the final disposition of this Action, as defined in paragraph 4,
 23 within 60 days of a written request by the Designating Party, each Receiving Party
 24 must return all Protected Material to the Producing Party or destroy such material.
 25 As used in this subdivision, "all Protected Material" includes all copies, abstracts,
 26 compilations, summaries, and any other format reproducing or capturing any of the
 27 Protected Material. Whether the Protected Material is returned or destroyed, the
 28 Receiving Party must submit a written certification to the Producing Party (and, if

not the same person or entity, to the Designating Party) by the 60-day deadline that identifies (by category, when appropriate) all the Protected Material that was returned or destroyed and affirms that the Receiving Party has not retained any copies, abstracts, compilations, summaries, or any other format reproducing or capturing any of the Protected Material. Notwithstanding this provision, Counsel are entitled to retain an archival copy of all pleadings; motion papers; trial, deposition, and hearing transcripts; legal memoranda; correspondence; deposition and trial exhibits; expert reports; attorney work product; and consultant and expert work product even if such materials contain Protected Material. Any such archival copies that contain or constitute Protected Material remain subject to this Order as set forth in Section 4 (DURATION).

B. Nothing in this Order disallows State Farm's from:

- a. complying with any state or federal law or regulation, including reporting of information to a regulator or government entity as permitted and/or required by applicable state and federal law;
- b. adding information discovered that is relevant to a claim to the relevant electronic record in its electronic claim system;
- c. disclosing evidence of a crime or fraud; retaining information necessary to meet mandated retention requirements; or,
- d. retaining copies of Protected Material that may exist on back-up media or other computer or archive storage not regularly accessed by business users in the ordinary course provided that should a copy of the Confidential Information be accessed it will not be used for a purpose inconsistent with this Order.

14. SANCTIONS

Any willful violation of this Order may be punished by civil or criminal contempt, financial or evidentiary sanctions, reference to disciplinary authorities, or other appropriate action at the discretion of the Court.

1 IT IS SO STIPULATED, THROUGH COUNSEL OF RECORD.

2
3 DATED: 2/6/23 /s/ Christopher A. Kanne
4 Attorneys for Plaintiffs

5
6
7 DATED: 2/6/23 /s/ Steven J. Elie
8 Attorneys for Defendant

9
10 DATED: February 8, 2023

11 
12 _____

13 JEAN P. ROSENBLUTH
14 U.S. MAGISTRATE JUDGE

EXHIBIT AACKNOWLEDGMENT AND AGREEMENT TO BE BOUND

I, _____ [full name], of _____ [full address], declare under penalty of perjury that I have read in its entirety and understand the Stipulated Protective Order that was issued by the U.S. District Court for the Central District of California on [date] in the case of Mark Welch and Lisa Welch v. State Farm General Insurance Company, Case No. 2:22-cv-06974-FMO-JPR. I agree to comply with and to be bound by all terms of this Stipulated Protective Order, and I understand and acknowledge that failure to so comply could expose me to sanctions and punishment, including contempt. I solemnly promise that I will not disclose in any manner any information or item that is subject to this Stipulated Protective Order to any person or entity except in strict compliance with the provisions of this Order.

I further agree to submit to the jurisdiction of the U.S. District Court for the Central District of California for the purpose of enforcing the terms of this Stipulated Protective Order, even if such enforcement proceedings occur after termination of this action. I hereby appoint _____ [full name] of _____ [full address and telephone number] as my California agent for service of process in connection with this action or any proceedings related to enforcement of this Stipulated Protective Order.

Date: _____

City and State where signed: _____

Printed name: _____

Signature: _____